



**Comptroller General
of the United States**

Washington, D.C. 20548

Decision

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Matter of: Innovative Logistics Techniques, Inc.

File: B-275786.2

Date: April 2, 1997

John E. Jensen, Esq., Daryle Jordan, Esq., and Alex D. Tomaszczuk, Esq., Shaw, Pittman, Potts & Trowbridge, for the protester.

Richard A. Maresca, Esq., Porter, Wright, Morris & Arthur, for HJ Ford Associates Inc., an intervenor.

Maj. Scott Singer, Esq., LTC Robert Tepfer, Esq., and John E. Lariccia, Esq., Department of the Air Force, for the agency.

C. Douglas McArthur, Esq., and Christine S. Melody, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Under solicitation calling for contractor to provide support services on a task order basis, agency reasonably gave the awardee's proposal a blue/exceptional rating on the basis that its approach and understanding of requirements were superior since it is reasonable to anticipate that strengths in this area will benefit the government in terms of performance quality and reduced need for monitoring and assisting contractor's performance.

2. Where, for example, solicitation required offerors to identify the organizations involved in developing their responses to a sample task, agency met requirement to establish objective standards for evaluation by establishing, as a standard for evaluation, whether the offeror identified those organizations and their function.

DECISION

Innovative Logistics Techniques, Inc. (INNOLOG) protests the award of a contract to HJ Ford Associates, Inc. under request for proposals (RFP) No. F33657-95-R-0083, issued by the Department of the Air Force for acquisition logistic support services.

INNOLOG contends that the agency's determination that Ford submitted a superior technical proposal was unreasonable.

We deny the protest.

BACKGROUND

On February 1, 1996, the agency issued the solicitation for award of three time and materials, indefinite delivery/indefinite quantity contracts for acquisition logistics support services, providing logistic studies and analysis and management support for acquisition in accordance with a statement of objective (SOO) attached to the solicitation. In accordance with the clause at Federal Acquisition Regulation (FAR) § 52.216-28, Multiple Awards for Advisory and Assistance Services, the awardees would then compete among themselves for task orders issued in support of system management staff and system program offices under contract line item number 0001. The individual task orders would more specifically define the efforts involved.

The solicitation provided that the agency would conduct the source selection process in accordance with Appendix BB of the Air Force supplement to the FAR and award contracts to the offerors whose proposals appeared most advantageous to the government. The three selection criteria were technical, management and corporate capability, and price, in that order of importance. The RFP advised offerors that evaluators would assign color/adjectival ratings based on their assessment of the offeror's understanding of/compliance with requirements and the soundness of its approach, to judge how well each proposal satisfied the evaluation criteria. The agency would also develop risk assessments for each evaluation factor and assign risk and performance ratings, based respectively, on the proposal and on the offeror's record of past performance as reported by other sources.

There were two equally weighted technical subfactors--integration problem and sample task orders--and five equally weighted management/corporate capability subfactors, including resumes, staffing and task order management plan, subcontract management, work force support, and additional resources. Price evaluation factors included, in order of importance, composite rate and sample task total price; the RFP also provided for consideration of reasonableness, realism, and completeness.

At issue here is the agency's evaluation under the technical and price subfactors. The first technical subfactor, integration problem, required offerors to respond to an integration problem provided with the solicitation, for the purpose of demonstrating the ability to integrate logistics functions. The second subfactor, sample task orders, required offerors to propose a technical approach to each of three specific taskings, for the purpose of demonstrating procedures for controlling performance

during the simultaneous performance of three tasks at two locations. The more important price subfactor, composite rate, was essentially a single rate developed by weighting the rates proposed for each of seven categories of labor, in accordance with a formula established by the RFP. The remaining price factor, sample task total price, consisted of the price evaluation team's estimate of the offeror's most probable price, including labor, materials, subcontracting, and other direct costs, for the three sample tasks.

Of the 21 proposals received, the Air Force identified a competitive range of 17, held discussions, and requested best and final offers (BAFO), submitted on August 1. The agency evaluated BAFOs and assigned ratings. Under the management and corporate capability factor, both INNOLOG and Ford received a green/acceptable rating with low risk. Under the technical factor, Ford received a blue/exceptional rating with low risk, while INNOLOG received a rating of green/acceptable with low risk. INNOLOG proposed a lower composite rate, [DELETED] versus Ford's [DELETED]; Ford's probable price for the sample tasks was somewhat lower than INNOLOG's.

The source selection authority (SSA) acknowledged Ford's high technical rating and determined that Ford's composite rate was only slightly (7 percent) higher than the rates in the other acceptable proposals and only 11 percent higher than the rates in the marginal ones. She concluded that, even though its composite rate was higher, Ford's technical superiority and excellent application of skills and labor hours, as evidenced by Ford's response to the sample tasks, would result in significant technical efficiencies. This conclusion, she noted, was supported by Ford's lower probable price on the sample tasks. Based on this determination, she selected Ford's proposal for award. After receiving a debriefing on December 12, INNOLOG filed this protest with our Office.¹

DISCUSSION

INNOLOG contends that the record does not support the blue/exceptional rating awarded Ford's proposal in the technical area. The protester argues first that the Air Force failed to develop objective standards for the evaluation, as its own FAR supplement required. In addition, INNOLOG contends that none of the alleged strengths of the Ford proposal, as described at the debriefing--a "strong" knowledge of requirements, a "well-organized" plan, a chart "clearly" establishing detailed knowledge of the acquisition process, and a "detailed" schedule--exceeded the

¹The RFP provided for two awards, including the one at issue here, under section 8(a) of the Small Business Act, 15 U.S.C. § 637(a) (1994). The third award was set aside for small businesses. INNOLOG does not protest either of the other awards.

agency's requirements such that a blue/exceptional rating was warranted under the FAR supplement.²

The evaluation of technical proposals is a matter within the discretion of the contracting agency because the agency is responsible for defining its needs and the best method of accommodating them. McDonnell Douglas Corp., B-259694.2; B-259694.3, June 16, 1995, 95-2 CPD ¶ 51 at 17. In reviewing an agency's evaluation, we will not reevaluate technical proposals, but will examine the record to determine whether the agency's judgment was reasonable and consistent with the stated evaluation criteria and applicable statutes and regulations. ESCO, Inc., 66 Comp. Gen. 404, 410 (1987), 87-1 CPD ¶ 450 at 7. The record here shows that, contrary to the protester's assertions, the agency did establish objective standards for measuring proposals, standards consistent both with the RFP instructions for preparation of technical proposals and evaluation criteria. Further, INNOLOG has provided no basis for our Office to conclude that the evaluators improperly or unreasonably applied those standards in reaching their conclusion that Ford's proposal warranted a blue/exceptional rating for the technical factor.

As explained above, the ratings under the technical factor represented the agency's consideration of the offeror's responses to an integration problem and three sample task orders. For the integration problem, the RFP instructed offerors to address the following:

"(a) Identify key [g]overnment and acquisition contractor organizations with which you must interface for each ILS [integrated logistics support] element and describe the nature of the relationship.

"(b) Describe your management and technical plan for obtaining and assessing the acquisition contractor's approach for each ILS element including strategies, techniques, methods and tools. Identify key issues and technical risks.

"(c) Identify the key documentation which you would expect the acquisition contractor to produce for the integrated support system and each element, explain why it is needed and describe your planned approach for determining if it is satisfactory.

²Specifically, the protester relies on the following definition of a blue/exceptional rating set out in Appendix BB of the Air Force supplement to the FAR: "Exceeds specified performance or capability in a beneficial way to the Air Force and has no significant weakness."

"(d) Develop a government schedule for each element consisting of key actions which must be accomplished during the Dem/Val [demonstration/validation] phase to assure that each ILS element has been adequately addressed. Show schedule relationships between elements where applicable."

Our review of the evaluators' worksheets here shows that the evaluators considered the offerors' responses to the integration problem in terms of four specific and objective evaluation standards, corresponding to the four elements of the problem listed in the solicitation. These standards, which appear on the worksheets, were as follows:

"Identifies the organizations within the program office, using command, and prime contractor which normally would participate in dev[el]opment activities and adequately addresses the purpose and authority of the interfaces identified above."

"Describes a technical plan that addresses techniques, methods, and/or tools used in assessing the acquisition contractor's approach for each ILS element in sufficient detail that it demonstrates in-depth knowledge of the ILS process, key issues, and potential risks."

"Identifies key documentation expected from the acquisition contractor, explains why it is needed and describes a satisfactory approach for determining its adequacy. As a minimum, the contractor should identify; Logistics Support Strategy and a Logistics Support Plan or equivalent."

"Depicts an integrated schedule that emphasizes development of an ILS program sufficient to go into the next EMD [engineering and management development] phase. Review for ILS element identification, schedule relationships, etc."

These standards are objective and correspond directly to the RFP instructions for preparation of the responses.

Similarly, for each of the three sample problems, paragraph 3.3.3 of section L of the RFP directed offerors as follows:

"The offeror shall provide a task implementation plan which describes how the offeror will complete each requirement of the task order. The offeror shall also provide a man-hour/skill mix proposal, and resumes

for each person identified in the skill mix for each task exercise set forth in [the sample tasks]. . . . It shall be assumed that all task orders must be performed simultaneously. . . ."

As with the evaluation of responses to the integration problems, the evaluators' worksheets show that the agency applied four objective standards, corresponding to the directions in the RFP for preparation of the responses. For each of the three sample problems, the four evaluation standards were as follows:

"Adequately describes an effective implementation plan that fully addresses the requirements of the task order. Merely repeating the task order SOO is not sufficient. The implementation plan must describe how the contractor intends to complete each requirement."

"Provides a skill mix that includes all the required functional areas to successfully implement and manage the task order requirements."

"Provides manhour projections for each labor category that are reasonable when considering what the task order requires for successful completion."

"Provides resumes that meet the requirements stated in Section H for each labor category identified against the task order. Given that all task orders are to be performed simultaneously, care must be taken to assure that there is not personnel overlap that would jeopardize performance."

In sum, the record shows that in evaluating proposals under the technical subfactors the agency established objective standards consistent with the RFP.

The protester also challenges the blue/exceptional rating the evaluators gave Ford's proposal, arguing that the agency reasonably could conclude that a proposal was exceptional only if the offeror proposed to perform in excess of contract requirements, which, in the protester's view, Ford did not do. We see no support in the record for this position. Given that the actual requirements--the task orders to be issued here--are as yet unknown, we think it was reasonable for the agency to measure an offeror's potential to provide superior performance by the soundness of its approach and its understanding of requirements as reflected in its proposal--both factors stressed in the RFP itself. Indeed, it is difficult to envision more

appropriate standards for selecting a contractor for support services than whether it exhibited a sound approach and a strong knowledge of the subject matter.³

The agency concluded that Ford's proposal was superior because it displayed strong knowledge of key logistics documentation requirements with rationale for each document; provided a well-organized plan for determining adequacy of documentation; provided charts depicting organizations and interfaces clearly establishing detailed knowledge of the acquisition process; and provided a detailed schedule that was ILS-oriented and integrated acquisition tasks and activities with acquisition phases. These conclusions are supported by the record and are consistent with the RFP criteria. Contrary to INNOLOG's arguments, it is not unreasonable to anticipate that these strengths will benefit the government in terms of performance quality and a reduced need for monitoring and assisting contractor performance. The record therefore supports the agency's evaluation of Ford's proposal.

Most of the strengths noted above relate to Ford's handling of the integration problem, the first of the two technical subfactors. With regard to the second technical subfactor, there was little distinction between the quality of Ford's and INNOLOG's responses to the sample task orders. However, as INNOLOG notes, the evaluators did favorably score Ford's approach under one of the sample task orders, the "F-99" task order. Specifically, based on a list of assumptions provided with the task order⁴ and the language of the task order itself, Ford based its response on its own further assumption that a majority of ILS tasks already would have been accomplished by the acquisition center. INNOLOG argues that such an assumption was unreasonable and allowed Ford to propose a lower probable price. Further, INNOLOG argues that the agency gave improper weight to the second and less important price factor, sample task total price, where Ford was able to propose a

³INNOLOG provides a declaration from a former Air Force employee, suggesting that such features as an extended warranty, increased reliability, or reduced power consumption would be the sort of thing that, in a hardware contract, might represent enhancements deserving a high technical rating. The declarant admits, however, that it is harder to envision how such a distinction would apply to support services, such as the instant effort.

⁴Each problem consisted of a list of assumptions accompanying the sample task order. The assumptions for this task order stated that the "F-99" would be moving into the production and deployment phase and that certain decisions had already been made regarding support of major systems; established that the prime contractor was in the process of selecting a subcontractor to perform contractor logistics support; and discussed the status of the logistics supportability analysis.

lower price based on its assumptions regarding the work required under the sample task order.

With regard to Ford's labor hour projections under the "F-99" task order, the evaluators expressed an initial concern that Ford's estimates were too low for the amount of work required; this concern generated a request for clarification during discussions. Ford defended its approach, contending that its estimates were reasonable based on the assumptions provided with the problem. Given the indicated stage of the acquisition, Ford pointed out that it was reasonable to assume that certain tasks had already been accomplished, allowing the contractor to concentrate its emphasis on depot support equipment and technical order support.

Based on the stated assumptions, the agency agreed with Ford that it was reasonable to presume that certain major program decisions had already been made, such as the choice of organic or contractor support for the major subsystems and line replaceable units. Following the "typical pattern," it appeared clear that certain activities and documents relating to depot maintenance would already have been performed or created. The evaluators acknowledged that, as the RFP described the situation, Ford had correctly perceived that it would only be filling a support role in an ongoing program. The evaluators found these explanations rational and indicative of a thorough understanding of acquisitions logistics; accordingly, they not only considered their clarification request answered but rated Ford's response as exceeding the standard.

Apart from characterizing the evaluation as "irrational," INNOLOG offers little to show that the evaluation of Ford's response to the "F-99" task order was unreasonable or contrary to the RFP. The protester merely notes that paragraph 4.1 of the sample task order lists several elements of ILS Planning Support, which, INNOLOG argues, it was reasonable to assume the offeror was expected to address in its response. In this regard, the language cited by INNOLOG in fact is more consistent with the interpretation of Ford and the agency in that it requires the contractor to "provide technical support for all ILS elements"--that is, as opposed to taking the leading role--and merely lists the elements covered. We see nothing unreasonable in the agency's position that the scenario envisioned a contractor coming in at a point where much preliminary work had already been accomplished.

Further, with regard to INNOLOG's contention that acceptance of Ford's approach allowed the protester to propose a much lower probable price for the sample task orders, the agency points out that [DELETED].⁵ In any event, given our conclusion

⁵Ford's probable price for the F-99 task order was [DELETED] lower than INNOLOG's; its total price advantage was [DELETED].

that the agency's evaluation under the "F-99" task order was reasonable, there is no basis to conclude that Ford's price advantage under the subfactor of sample task total price resulted from an improper evaluation.

In its response to the agency's report, the protester objected to the fact that different evaluators reviewed its and Ford's proposals. Specifically, two evaluators reviewed each proposal; the two pairs were made up of one evaluator who reviewed both proposals and two evaluators who each reviewed one proposal. INNOLOG alleges that the use of different evaluators led to skewed evaluation results for the integration problem.⁶ We have long recognized, however, that any evaluation scheme--point scores, or, as in this case, a color/adjectival rating--is useful only as a guide and may be expected to reflect the disparate, subjective judgments of the evaluators. Ferguson-Williams, Inc., 68 Comp. Gen. 25, 28 (1988), 88-2 CPD ¶ 344 at 4-5. Our chief concern is whether the evaluation communicates the principal strengths and weaknesses to the SSA and whether the record supports the evaluators conclusions and the SSA's selection, as reasonable and consistent with the solicitation criteria. Marine Animal Prods. Int'l, Inc., B-247150.2, July 13, 1992, 92-2 CPD ¶ 16 at 14. INNOLOG here provides no substantive argument, beyond the differing scoring outcomes, to show that any of the evaluators' conclusions were either unreasonable or inconsistent with the solicitation, or that the analyses of the offerors' strengths and weaknesses, provided to the SSA for use in her decision, failed to reflect the reasonable judgments of the evaluators.

Finally, the record does not support INNOLOG's contention that the SSA gave too much weight to probable price in the selection decision. That decision reflects an appreciation of those elements of Ford's proposal that resulted in its higher technical rating. The SSA noted, correctly, that INNOLOG had offered a lower composite rate, but concluded that Ford's technical superiority was worth the additional cost. In support of this conclusion, she noted that, taking performance on the sample task orders into account, Ford's probable price was actually lower. Thus, contrary to INNOLOG's assertions, it is clear that the SSA's primary focus

⁶One evaluator, who looked at both proposals, concluded that Ford exceeded standards in four of eight instances, while INNOLOG exceeded standards in only two of eight. A second evaluator, who reviewed Ford's proposal, found six "exceeds," while a third evaluator, who reviewed INNOLOG's proposal, found only one "exceeds."

was on the technical superiority of Ford's proposal, a focus consistent with the greater weight given to technical factors in the evaluation scheme. The record thus supports the selection of Ford's proposal as reasonable and consistent with the evaluation scheme.

The protest is denied.

Comptroller General
of the United States